

Issue 1

Oct. 13, 2011

Multi-Family Housing Programs

News and Information

HAC Announces New Grant Program

The Housing Assistance Council (HAC) announces the Rural Senior Housing (RSH) Fund. Eligible affordable housing organizations can apply for RSH grants to support activities that will build, preserve, or advocate for housing for low-income seniors (62 years and older) living in rural areas.

This new program is made possible through the generous support of The Atlantic Philanthropies.

Applications are due to HAC no later than Thursday, December 15. If you have questions about the application or the RSH fund, please contact Janice Clark, 202.842.8600 x 131.

USDA Rural Development Audit Program

USDA Rural Development's Audit Program has been updated for Fiscal Year 2012. The Audit Program is effective for audit periods ending on December 31, 2011, and thereafter.

Managers please pass this information on to your supporting auditor.

Copies of the [Audit Program](#) are available online.

Capital Needs Assessment (CNA)

A CNA is required when new money is going into the project or a change in the Loan Agreement is being requested to increase the reserve account.

Please make sure to review the "Guidance on CNA Process" in the most current Unnumbered Letter dated 01/07/2011 prior to ordering the CNA.

2012 Management Fees Remain the Same

The allowable maximum management fees will remain the same as they were in fiscal year 2011.

An un-numbered letter with additional information is forthcoming.

Iowa Landlord Tenant Law

USDA Rural Development's Hand Book 2 Chapter 7 Paragraph 7.8 covers only the agency's requirements regarding security deposits and notes that "Security Deposits are largely governed by state and local laws."

The Iowa Code, Chapter 562A [Uniform Residential Landlord and Tenant Law](#), must be adhered to as well.

562A.12 Paragraph 3b disallows ordinary wear and tear as damage. USDA Rural Development allows carpet cleaning, painting, and other make ready expenses as part of the normal project budget. Since these are normal project expenses, the cost of these items cannot be charged to the tenant.

562A.15d requires the landlord to "Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators, supplied or required to be supplied by the landlord. Normal maintenance (i.e. the occasional removal of a hair clog from a drain) is also a budgeted expense and cannot be charged to the tenant. Maintenance necessitated by negligence is not a budgeted project expense and could be charged to the tenant.

Budget Roundtable Webinar

We would like to thank all those who participated in the budget roundtable and subsequent survey. The roundtable event was held in a webinar format, a first for Iowa's USDA Rural Development Housing Team. The presentation has been posted to our web site.

Given the survey results, as well as our own evaluation, we believe the meeting was a resounding success and will continue to use this medium in the future. We especially appreciate all those of you who took a little extra time and provided us with feedback on the survey. We'll use the input to help us improve our delivery of information using this and other web-based formats.

Utility Allowance Changes

Rural Development will not be changing our past policy of a \$5 threshold for making utility allowance changes.

If the change in utility cost is less than \$5 it is a management decision whether to make a utility allowance change. If the change in utility cost is \$5 or more, management must make a utility allowance change.

CRCU and FMRs

In accordance with HB-2-3560 Chapter 4.28B USDA Rural Development in Iowa uses HUD's Fair Market Rents (FMRs) as the benchmark for rents. If a rent change is requested that will cause rents to exceed HUD FMRs, documentation regarding local conditions that justify the higher rent must be submitted along with the budget narrative.

For more information please review HUD's FMRs information which can be accessed through USDA Rural Development's Iowa web page.

New Iowa RD Web Site

Please look around our new web site and save it to your favorites. We will be posting all future referenced material to this new site.

Un-Numbered Letters for Manager and Owner Review

- 8/16/11 – Guidance on the use of Section 538 Guaranteed Rural Rental Housing Program with Section 515 Program
- 8/26/11 – Interest Rate Changes for Housing Programs and Credit Sales
- 9/22/11 – Rural Development Audit Program

Review current [Un-Numbered Letters](#).

Upcoming Events

Rural Development Offices Closed

Friday, Nov. 11—Veterans Day

Thursday, Nov. 24—Thanksgiving Day

Quick links

[Iowa's RD Home Page](#)

[Multi-Family Management Page](#)

[Iowa Area Office Contact Information](#)

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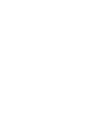
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[Contact us](#) to request a change to your information or to be removed from our list.



EQUAL HOUSING OPPORTUNITY

USDA Rural Development is an equal opportunity lender, provider and employer. Complaints of discrimination should be sent to USDA, Director, OCR, Washington D.C. 20250-9410 or call (866) 632-9992 (voice) or (800) 877-8339 (TDD).